Manitoba

Annual Report
1999 - 2000

Canada/Manitoba
Economic Development
Partnership Agreement

Includes 10% post-consumer waste

100-07655/

MINISTER OF
INTERGOVERNMENTAL AFFAIRS

Room 301
Legislative Building
Winnipeg, Manitoba, CANADA
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March 31, 2000

His Honour
The Honourable Peter M. Liba, C.M.
Lieutenant Governor of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Canada/Manitoba Economic Development Partnership Agreement for the fiscal year ended March 31, 2000.

Respectfully submitted,

Jean Friesen

Jean Friesen
Minister of Intergovernmental Affairs

Manitoba

Deputy Minister of Intergovernmental Affairs

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March 31, 2000

Honourable Jean Friesen
Minister of Intergovernmental Affairs

My Dear Minister:

I have the honour to submit for your consideration the Annual Report on the Canada/Manitoba Economic Development Partnership Agreement for the fiscal year ended March 31, 2000.

The 1999/2000 fiscal year is the second year of the five year, $40 million Canada/Manitoba Economic Development Partnership Agreement (EDPA). Signed by the Manitoba and federal governments in May 1998, the program has become an important contributor to the province's economy and overall standard of living.

One unique project gives Manitobans and tourists a rare opportunity to ride back in time. The Vintage Locomotive Society, a non-profit volunteer organization, restored the Prairie Dog Central, one of the oldest vintage locomotive railways in North America. With a $600,000 boost from EDPA and a successful fundraising campaign by the Vintage Locomotive Society, the Prairie Dog Central resumed operating in 1999. EDPA funding assisted with upgrading the track, constructing storage facilities for the train and relocating the existing heritage passenger station to its new home in the Rural Municipality of Rosser.

Another innovative project is helping to stimulate community economic development in Winnipeg's inner city, with EDPA funding of $450,000. SEED Winnipeg (Supporting Employment and Economic Development) assists in the creation of co-operative enterprises; succession planning for local businesses owned by aging people; a hiring program to identify and match local skilled people with local businesses; and with a real estate registry to identify and promote commercial location and residential housing opportunities.

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Manitoba 2000
Our Past. Our Future. Our Celebration.
Notre passé. Notre avenir. Notre fête.

The EDPA program also provides funding for feasibility and other kinds of studies. For example, one project consists of two studies relating to Manitoba's newest northern neighbour – Nunavut. One study examines opportunities to provide Manitoba-based re-supply systems for the Keewatin region on the west shore of Hudson's Bay, including present supply routes, current and future passenger and freight traffic and alternative modes of transportation. The second study examines the feasibility of low-voltage direct current transmission from Churchill to Keewatin. With $500,000 in EDPA funding, this joint project could result in trade and other economic opportunities between Manitoba and Nunavut, for the benefit of both jurisdictions.

The Economic Development Partnership Agreement also played a significant role in the 1999 Pan American Games, providing a legacy of new and improved venues to be used by citizens and also to assist in attracting other high profile sporting and entertainment events to Manitoba. For example, to assist Gimli in hosting the Games' sailing events, the south harbour underwent a major redevelopment with the help of $1.2 million in EDPA funding, or $600,000 by each government. A new breakwater, boat berths, sidewalks and parking were constructed, along with a dredged harbour. The enhancements will position the region to attract more national and international sailing competitions and assist in developing the local fishing economy.

The Canada/Manitoba Economic Development Partnership Agreement is a true example of partnership at work building and diversifying Manitoba's economy while enriching our quality of life. Federal and provincial governments are partnering with community groups to carry out a vision of innovative thinking, economic growth, and community development. In the upcoming year, more such visionaries will see their unique projects come to life, with the help of the EDPA program.

Sincerely,

Marie Elliott
A/Deputy Minister

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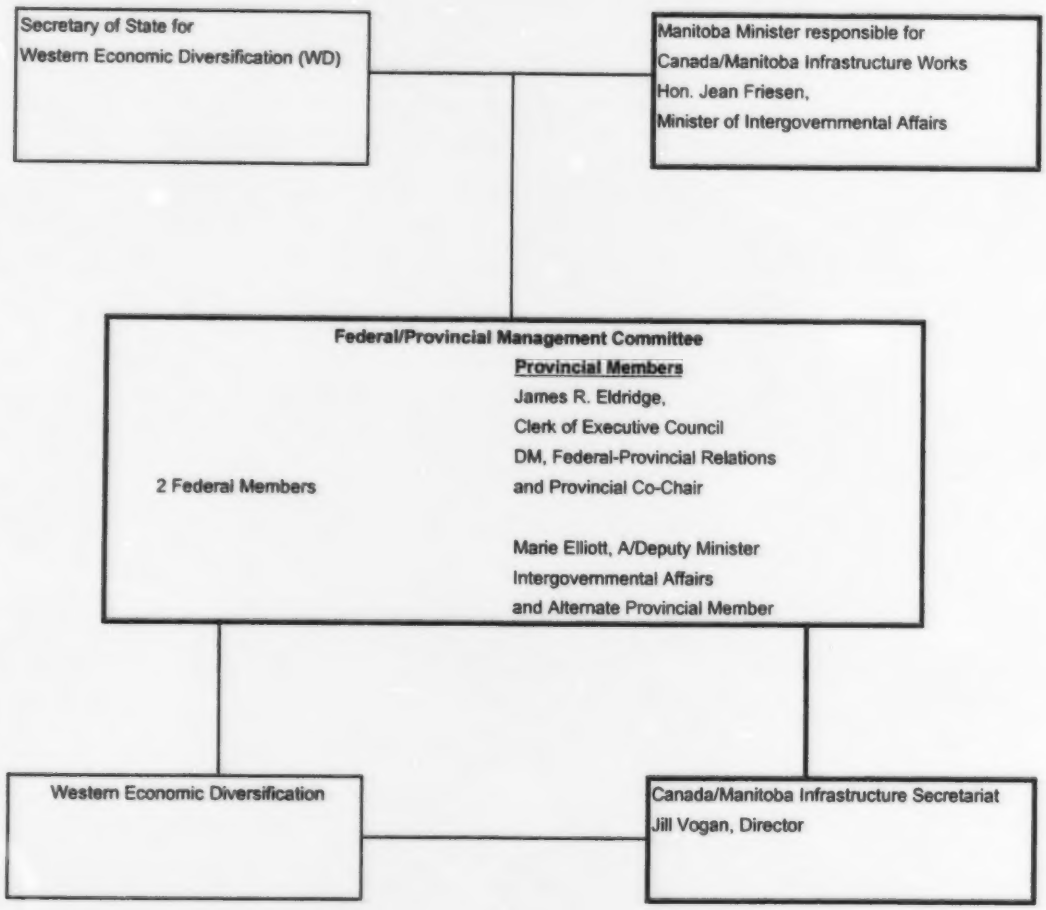
SCHEDULE 1

ORGANIZATION CHART

CANADA/MANITOBA ECONOMIC DEVELOPMENT PARTNERSHIP AGREEMENT

(as of March 31, 2000)



PREFACE

Report Structure

The Annual Report is organized in accordance with the program's appropriation structure, which reflects the program's authorized votes approved by the Legislative Assembly. The Report includes information at the Main Appropriation level relating to the program's objectives, actual results achieved, financial performance and variances, and a four-year historical table of expenditures.

Appropriation 27-3 represents Manitoba's 50 per cent contribution to the total program funds. Matching contributions are provided by the federal government. The Agreement allows for flexibility in project financing and participation, so that each party may decide to finance or participate in any one project exclusively or jointly - as long as total expenditures funded are shared by Manitoba and Canada on a fifty-fifty basis.

Mandate

Section 2.1 of the ***Canada/Manitoba Economic Development Partnership Agreement*** indicates the purpose:

- to provide a mechanism for achieving greater federal-provincial cooperation in realizing the economic and regional development potential of the Province of Manitoba by way of collaboration.

Program Overview

From 1998 through March 2002, the ***Canada/Manitoba Economic Development Partnership Agreement*** will direct $40 million into strategic projects that will expand the international competitiveness of Manitoba's key growth sectors, commercialize new technologies, assist small and medium-sized businesses and entrepreneurs, enhance the long-term economic self-sustainability of rural and urban communities, and increase tourism potential. The federal and provincial governments will each contribute $20 million to the Agreement.

The Partnership Agreement continues a history of federal/provincial cost-shared economic development agreements between the two governments. The purpose of the Agreement is to promote greater federal-provincial co-operation in Manitoba's economic development through a partnership program of strategic investments with other interested stakeholders.

The ministers responsible for the Agreement in Manitoba are Manitoba's Finance Minister Jean Friesen, and for the federal government, the Secretary of State for Western Economic Diversification Canada. The Agreement is administered for Manitoba by the Canada/Manitoba Infrastructure Secretariat, and for the federal government by Western Economic Diversification Canada.

Strategic Priorities

The $40 million ***Canada/Manitoba Economic Development Partnership Agreement*** is a collaborative partnership focusing on strategic priorities including:

Business Development - Projects focus on initiatives which advance entrepreneurship potential, particularly among youth, Aboriginal people and immigrants, enhance expertise in the small business sector and promote products and services nationally and internationally.

Economic Innovation - The agreement supports economic and technological innovation within Manitoba industry as well as increased collaboration with local research institutions to develop and commercialize leading edge products for global markets.

Regional Strategic Priorities - Funding is earmarked for projects supporting community-based urban and rural economic development in the areas of transportation, information technology, value-added agriculture, biotechnology, health care industries, and tourism, culture and heritage.

Innovative Economic Development Studies - Support is provided for strategic research activities to determine potential directions, and the feasibility, of longer term initiatives with the capacity to generate economic, industrial and employment growth beyond the term of the agreement.

PROJECTS FUNDED as of March 31/00

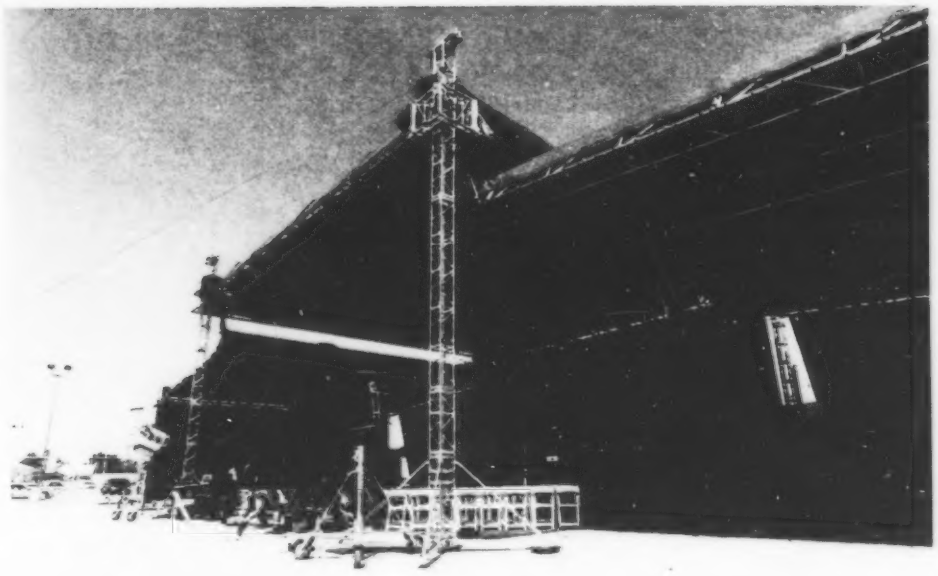
Unless indicated otherwise, project funding is cost-shared 50-50 by the Governments of Manitoba and Canada.

Business Development Projects

Prairie Production Centre
Funding: $1 million
Announced Dec. 17/98
Manitoba's first all-season film and television production studio was built in Winnipeg's west end, opened in 1999. The $7.75 million studio brings together all aspects of production under one roof, attracting a variety of production and economic opportunities for Manitoba's film industry.

Conseil de développement économique des municipalités du Manitoba (CDEM)
Funding: $400,000
Announced Sep. 25/98
A co-ordinated strategic community economic plan for 11 Manitoba bilingual municipalities and incorporated towns will help franco-manitobain communities attract investment from across Canada and the francophone world.

CraftLink Tours
Funding: $45,000
Announced June 14/99
Tourists and Manitoba's craft industry benefited from CraftLink, a new bus and walking tour linking several Winnipeg craft venues, galleries and restaurants during the summer of 1999. The $82,000 project provided a unique marketing opportunity for these small businesses and artisans while creating employment for eight to 10 people. Manitoba Industry, Trade and Tourism also provided a $10,000 contribution for the project's marketing/promotional strategy.



Manitoba's film industry is now equipped with its first all-season film and television production studio, bringing new employment and training opportunities to Manitobans.

Economic Innovation Projects

University of Manitoba – SMART Park
Funding: $1.3 million (Federal Contribution)
Announced Oct. 15/99
Some 108 acres of land on the University's Fort Garry Campus will be transformed into an innovative research park that will foster research collaboration between the University and industry and boost the transfer of new technologies to the marketplace. The provincial government contributed an additional $2.8 million through the Economic Innovation & Technology Council, bringing the total federal-provincial contribution to $5.6 million.

Filmless Radiology
Funding: $2.5 million
Announced June 26/98
Manitoba is poised to reap economic and health benefits from a $5 million pilot project that will put the province at the forefront in the field of filmless radiology - the computerized storage and secure transmission of radiology images using Intranet technology.

Centre for Health Research for the Elderly
Funding: $4.2 million
Announced May 22/98
The establishment of a $12.6 million, world-class research facility dedicated to diseases related to aging will position the St. Boniface General Hospital in Winnipeg as a leader in health research for the elderly.

Innovation Corridor for Technology Feasibility Study
Funding: $40,000
Announced Feb. 19/99
The study was undertaken to determine the feasibility of creating a downtown centre for high-tech companies in Winnipeg. The study was developed by the Manitoba Innovation Network in conjunction with an advisory group consisting of various companies and institutions.

University of Manitoba - SMART Park
Funding: $214,000 (Federal Contribution)
Announced Oct. 2/98
The University of Manitoba developed the detailed design and engineering drawings required to create SMART Park, on the Fort Garry Campus. The SMART Park will provide opportunities for partnerships between the University and local high-tech firms. The Manitoba Government contributed $250,000 through Economic Innovation & Technology Council.

Regional Strategic Priorities Projects

St. James Assiniboia Senior Centre
Funding: $150,000
Announced Aug. 9/99
A major renovation and expansion to the St. James Assiniboia Senior Centre allows the centre to offer additional programs and services to meet the needs of seniors in Winnipeg. The facility provides health support services, educational programs, physical fitness, volunteer opportunities and special interest activities which enhance the quality of life of seniors within the community.

St. James-Assiniboia Senior Centre's expansion was officially opened March 24, 2000, bringing more technological, health, social and volunteer opportunities to Winnipeg's senior population.

Blumenort Waste Water Facility Expansion
Funding: $1.2 million (Manitoba Contribution)
Announced Aug. 4/99
To support business and residential growth in rural Manitoba, the provincial government is contributing $2.4 million for the expansion of a wastewater treatment facility in Blumenort. Funding consists of $1.2 million each through the Canada/Manitoba Economic Development Partnership Agreement and the Manitoba Rural Economic Development Initiative (REDI).

Inglis Elevators National Historic Site
Funding: $198,223 (Manitoba Contribution)
Announced July 23/99
Five historic wooden grain elevators, designated as a national historic site in 1996, are being restored and refurbished at the Inglis Elevators National Historic Site in Inglis, Manitoba. The rejuvenated tourist attraction will feature agricultural displays and working grain-processing equipment, and will enhance tourism within the Parkland region. The province contributed an additional $82,500 through Manitoba Culture and Tourism programs.

Aborginal Tribal Journey & Cultural Village
Funding: $100,000 (Federal Contribution)
Announced June 30/99
During the 1999 Pan American Games, the Aboriginal Culture Village located at The Forks in Winnipeg showcased Canada's First Nations' culture through music, dance, theatre, traditional activities and kiosks. The Tribal canoe journey re-enacted travel on traditional Aboriginal trade routes along the Hayes River, East shoreline of Lake Winnipeg and down the Red River to Winnipeg, culminating with an arrival ceremony in June 1999.

Prairie Dog Central
Funding: $600,000
Announced Dec. 18/98
The Prairie Dog Central, one of the oldest vintage locomotive railways in North America, relocated its operations in the summer of 1999. The $1.35 million project gives more tourists and Manitobans a chance to experience what it was like to ride a steam engine.

Manitoba Sports Hall of Fame & Museum
Funding: $50,000
Announced Jan. 6/99
The Manitoba Sports Hall of Fame & Museum relocated to the fifth floor of The Bay downtown in Winnipeg. The increased space will enable the museum to showcase our sports history and champions to a greater number of Manitobans and tourists.

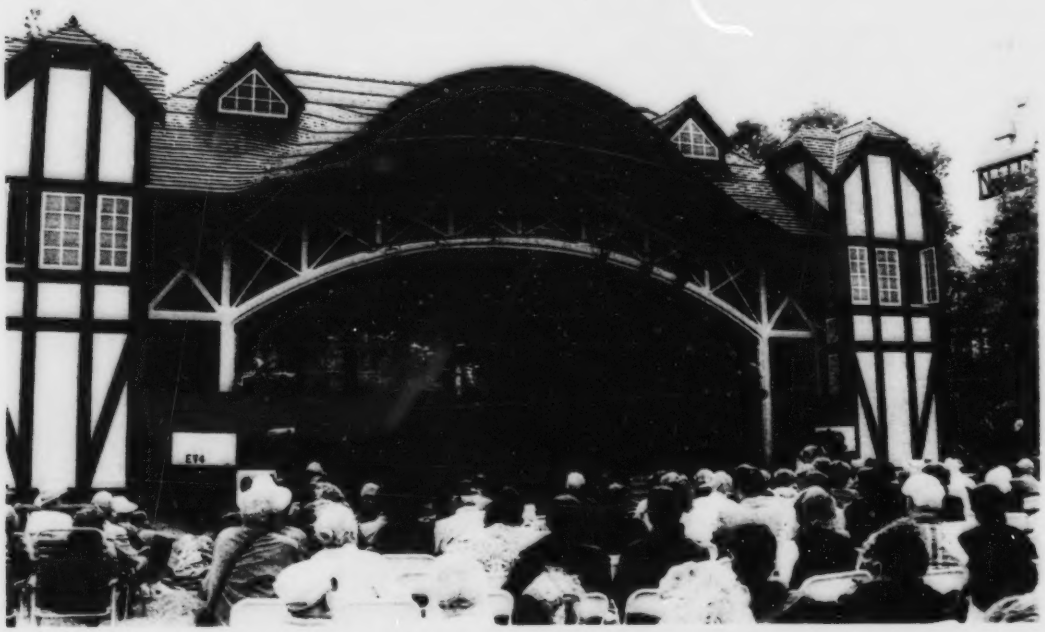
SEED Winnipeg Inc.
Funding: $450,000
Announced Jan. 29/99
SEED Winnipeg, a non-profit organization, expanded its business services and job creation for low-income residents in Winnipeg's north end. The funding assisted with project start-up and operating costs for three years.

The historic Prairie Dog Central provides tourists and Manitobans with a unique train ride back in time.

Gimli Harbourfront Development
Funding: $1.2 million
Announced June 19/98
A $1.8 million development of Gimli's south harbour strengthens its tourism and fishing industries and helped the town prepare to host the 1999 Pan Am Games sailing events. The project included the construction of a new breakwater, boat berths, sidewalks and parking were constructed, and a dredged harbour. The enhancements position the region to attract more national and international sailing competitions and assist in developing the local fishing economy.

Winnipeg Stadium Improvements
Funding: $3 million
Announced Sep. 17/98
An $8.75 million renovation at the Winnipeg Stadium assisted the facility in hosting the Pan Am Games' opening and closing ceremonies, as well as beach volleyball events. Over the long-term, the renovations are helping attract more high-profile entertainers and sporting events to the city.

Assiniboine Park Bandshell – "The Lyric"
Funding: $150,000
Announced Nov. 2/98
A $750,000, permanent outdoor bandshell in Winnipeg's Assiniboine Park enhances the long-standing tradition of outdoor concerts in the park, making the area an even greater tourist attraction. Events include music, dance, theatre and children's programs, and showcase some of Manitoba's world-renowned cultural and entertainment groups such as the Royal Winnipeg Ballet, Winnipeg Symphony Orchestra and the Winnie the Pooh Friendship Day.



In 1999 "The Lyric" opened in Winnipeg's Assiniboine Park, to rave reviews. World-class acts such as the Royal Winnipeg Ballet and the Winnipeg Symphony Orchestra perform for enthusiastic audiences.

Hanover/La Broquerie Natural Gas Expansion
Funding: $1 million
Announced Nov. 6/98
A $9 million natural gas expansion means substantial savings on energy bills for homes, farms, schools and commercial operations for residents and businesses in Hanover and La Broquerie. The additional service will attract new industries and create economic spin-offs for the entire community. The Canada/Manitoba Infrastructure Works program is contributing an additional $3.25 million towards the initiative.

Winnport Logistics Ltd.
Funding: $1.5 million
Announced Nov. 13/98
Winnport, the international cargo airline operation, has the potential to enhance Winnipeg's position as a transportation hub. The initiative was designed to increase the packaging, assembly and manufacturing activities in Manitoba, improve market access for Manitoba exporters and capitalize on Manitoba's strategic location to the Mid-Continent Trade Corridor.

The Aquatic Hall of Fame
Funding: $867,000
Announced June 24/98
The national Aquatic Hall of Fame at Winnipeg's Pan Am Pool was expanded to highlight Manitoba's water sports athletes and boost tourism opportunities.

Governor's House at Fort Gibraltar
Funding: $600,000
Announced Feb. 12/99
Historic Fort Gibraltar will become a year-round tourist attraction with the addition of *Governor's House*, a $1.3 million multi-purpose reception and interpretive centre. Located within the log palisade of Fort Gibraltar in Voyageur Park, the historical replica will showcase the Canadian fur-trading era and hold various events that will lead to economic spin-offs for related industries.

Innovative Economic Development Studies Projects

Keewatinowi Network Feasibility Study
Funding: $44,000
Announced Apr. 30/99
The study will determine if establishing a new technology network will boost economic development in three Island Lakes First Nations communities, located 270 km southeast of Thompson. The Kitayan Community Futures Development Corporation has commissioned the study, which will involve consultations with community members, local First Nations, local educational authorities and government stakeholders.

Nunavut Hydro and Transportation Corridor Study
Funding: $500,000
Announced Sep. 25/98
The results of this study will enhance trade and economic opportunities between the governments of Manitoba and Nunavut. The study also examines the feasibility of low-voltage direct current transmission from Churchill to Keewatin, and assesses opportunities to provide Manitoba-based re-supply systems for the Keewatin region.

Schedule 1

CANADA/MANITOBA ECONOMIC DEVELOPMENT PARTNERSHIP AGREEMENT

EXPENDITURE SUMMARY

For fiscal year ending March 31, 2000 with comparative figures for the previous fiscal year.

ELEMENT	**ACTUAL EXPENDITURE 1999/00 ($ '000's)**	ACTUAL 1998/99 ($ '000's)	INCREASE (DECREASE)	Expl. No.
Manitoba's gross expenditures under the Canada/Manitoba Economic Development Partnership Agreement	**3,830.2**	2,416.4	1,413.8	1
Manitoba's Net Contribution to Approved Projects	**3,830.2**	2,416.4	1,413.8	

EXPLANATIONS:

1. 1999/00 actual expenditures were greater than in 1998/99 reflecting a higher rate of project approvals and implementation in the second year of the program relative to the first.

Schedule 2

CANADA/MANITOBA ECONOMIC DEVELOPMENT PARTNERSHIP AGREEMENT

EXPENDITURE SUMMARY BY APPROPRIATION 27-3

	Actual Gross Expenditures 1999/00 ($ '000's)	Estimate 1999/00	Variance Over/(Under)	Expl. No.
Canada/Manitoba Economic Development Partnership Agreement	**3,830.2**	5,000.0	(1,169.8)	1
TOTAL APPROPRIATIONS FOR CANADA/MANITOBA ECONOMIC DEVELOPMENT PARTNERSHIP AGREEMENT	**3,830.2**	5,000.0	(1,169.8)	

EXPLANATIONS:

1. 1999/00 actual expenditures were lower than expected, primarily because some projects began later than originally anticipated due to outstanding necessary approvals (ie, environmental approvals).

Reconciliation Statement
($ '000's)

1999/00 Estimates.....$5,000.0

FOR MORE INFORMATION CONTACT:

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